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ANNUAL AUDITED REPORT

FORM X-17A-5
PART III

FEB 29 2008

SEC FILE NUMBER
8- 7661

Washington, DC
110Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING 1 /01/07 AND ENDING 12/31/07
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Faver Securities, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

112 Daisy Farms Drive

(No. and Street)

New Rochelle

NY

10804

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Louis Sternbach & Company, LLP

(Name - if individual, state last, first, middle name)

1333 Broadway

New York

NY

10018

(Address)

(City)

(State)

(Zip Code)

PROCESSED

MAR 31 2008

THOMSON
FINANCIAL

CHECK ONE:

☒ Certified Public Accountant☐ Public Accountant☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

3/27

OATH OR AFFIRMATION

I, Bernard Faver, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Faver Securities, LLC, as of December 31, 2007, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Bernard Faver
Signature

Principal & Owner
Title

B. Secchiano
Notary Public

FEB 27, 2008

BENITO SECCHIANO
Notary Public, State of New York
No. 4910833
Appointed in Westchester County
Commission Expires Nov. 30, 2009

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

FAVER SECURITIES, LLC
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2007

FAVER SECURITIES, LLC

FINANCIAL STATEMENTS AND SCHEDULES

Independent Auditors' Report

Statement of Financial Condition as of December 31, 2007

Statement of Operations for the Year Ended December 31, 2007

Statement of Changes in Member's Equity for the Year Ended December 31, 2007

Statement of Changes in Liabilities Subordinated to Claims of General Creditors for the Year Ended December 31, 2007

Statement of Cash Flows for the Year Ended December 31, 2007

Notes to Financial Statements

Schedules:

Computation of Consolidated Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 Under the Securities Exchange Act of 1934

Computation of Basic Net Capital Requirement

Reconciliation of Net Capital to Submitted Unaudited Net Capital

Computation of Aggregate Indebtedness

Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 Under the Securities Exchange Act of 1934

Accountant's Report on Internal Control

LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Member of
Faver Securities, LLC

We have audited the accompanying statement of financial condition of Faver Securities, LLC as of December 31, 2007, and the related statements of operations, changes in member's equity, changes in liabilities subordinated to claims of general creditors and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Faver Securities, LLC as of December 31, 2006 were audited by other auditors whose report dated May 24, 2007, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faver Securities, LLC as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Louis Sternbach & Company, LLP

Certified Public Accountants

February 21, 2008
New York, New York

FAVER SECURITIES, LLC
STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2007

ASSETS

ASSETS

Cash and cash equivalents	\$35,568
Commissions receivables	<u>1,342</u>
 <u>Total Assets</u>	 <u>\$36,910</u>

LIABILITIES AND MEMBER'S EQUITY

LIABILITIES

Commissions payable	\$ 584
Accrued expenses	<u>1,500</u>
 <u>Total Liabilities</u>	 2,084

COMMITMENTS AND CONTINGENT LIABILITIES

<u>MEMBER'S EQUITY</u>	<u>34,826</u>
------------------------	---------------

<u>TOTAL LIABILITIES AND MEMBER'S EQUITY</u>	<u>\$36,910</u>
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The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2007

REVENUES

Commissions		\$ 5,884
Other income		35,000
Interest		<u>223</u>
<u>Total Revenues</u>		41,107

EXPENSES

Regulatory fees	\$1,275	
Commissions	2,223	
Professional fees	1,500	
Other	<u>1,140</u>	
<u>Total Expenses</u>		<u>6,138</u>

NET INCOME

\$ 34,969

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CHANGES IN MEMBER'S EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2007

	Member's Equity
<u>BALANCE - DECEMBER 31, 2006</u>	\$ 6,222
Net income	34,969
Distributions, net of contributions	(6,365)
<u>BALANCE - DECEMBER 31, 2007</u>	<u>\$34,826</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

FOR THE YEAR ENDED DECEMBER 31, 2007

BALANCE - BEGINNING OF YEAR

\$ -0-

BALANCE - END OF YEAR

\$ -0-

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 34,969
(Increase) decrease in operating assets:	
Commissions receivable	(1,342)
Increase (decrease) in operating liabilities:	
Commissions payable	584
Accrued expenses	<u>1,500</u>
<u>Net Cash Provided by Operating Activities</u>	35,711

CASH FLOWS FROM FINANCING ACTIVITIES

Distributions, net of contributions	(<u>6,365</u>)
-------------------------------------	------------------

NET INCREASE IN CASH AND CASH EQUIVALENTS 29,346

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 6,222

CASH AND CASH EQUIVALENTS - END OF YEAR \$ 35,568

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest	<u>\$ -0-</u>
Taxes	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2007

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Faver Securities, LLC, is a registered broker-dealer with the Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority Inc. (FINRA).

Faver Securities, LLC's sole line of business is mutual fund retail on a subscription basis. Faver does not hold customer funds or securities. Commissions are paid periodically by the mutual fund companies with which Faver has direct selling agreements.

USE OF ESTIMATES

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the financial statements and related disclosures. Management believes that the estimates utilized in the preparation of these financial statements are prudent and reasonable. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

INCOME TAXES

The Company is a single member L.L.C. and is therefore treated as a disregarded entity under federal income tax regulations. New York State recognizes the federal entity classification of a single member L.L.C. as a disregarded entity and generally follows its resulting tax consequences. As such, no provision for federal or state income taxes is required as its sole member is responsible for reporting the Company's income or loss under applicable income tax statutes and regulations.

NOTE 2 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company has entered into an expense sharing agreement with Coordinated Insurance Agency Service, Inc., a C corporation that is 100% owned by Bernard Faver, Faver Securities LLC's sole shareholder. The agreement covers salaries, telephone, internet access, postage, file storage and other miscellaneous expenses. For the year ended December 31, 2007, total overhead expenses amounted to \$535.

FAVER SECURITIES, LLC

NOTES TO FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2007

NOTE 3 - NET CAPITAL REQUIREMENTS

The Company is a registered broker/dealer and, accordingly, is subject to the minimum net capital requirements of the Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. The Company's aggregate indebtedness can not exceed 15 times net capital. At December 31, 2007, the Company's net capital and excess net capital were \$34,702 and \$29,702, respectively and its aggregate indebtedness was approximately 6% of its net capital.

FAVER SECURITIES, LLCCOMPUTATION OF CONSOLIDATED NET CAPITAL FOR BROKERS AND DEALERS
PURSUANT TO RULE 15C3-1 UNDER THE SECURITIES EXCHANGE ACT OF 1934AS OF DECEMBER 31, 2007

<u>MEMBER'S EQUITY</u>	\$34,826
<u>DEDUCTIONS OR CHARGES</u>	
Haircut on Money Market account	<u>124</u>
<u>NET CAPITAL</u>	<u>\$34,702</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCCOMPUTATION OF BASIC NET CAPITAL REQUIREMENTAS OF DECEMBER 31, 2007

<u>MINIMUM NET CAPITAL REQUIRED - 6-2/3% OF TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$ 139</u>
<u>MINIMUM DOLLAR NET CAPITAL REQUIREMENT OF REPORTING DEALER</u>	<u>\$ 5,000</u>
<u>NET CAPITAL REQUIREMENT</u>	<u>\$ 5,000</u>
<u>EXCESS NET CAPITAL</u> (Net capital less net capital requirement)	<u>\$29,702</u>
<u>EXCESS NET CAPITAL AT 1000%</u> (Net capital less 10% of aggregate indebtedness)	<u>\$34,494</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCRECONCILIATION OF NET CAPITAL TO SUBMITTED UNAUDITED NET CAPITALAS OF DECEMBER 31, 2007

<u>NET CAPITAL PER UNAUDITED X-17A-5</u>	\$ 6,501
Reclassification of accrual to member	28,944
Additional accruals	(743)
<u>NET CAPITAL PER AUDITED REPORT</u>	<u>\$34,702</u>

The accompanying notes are an integral part of these financial statements

FAVER SECURITIES, LLCCOMPUTATION OF AGGREGATE INDEBTEDNESSAS OF DECEMBER 31, 2007TOTAL AGGREGATE INDEBTEDNESS LIABILITIES

Commissions payable	\$ 584
Accrued liabilities	<u>1,500</u>

TOTAL AGGREGATE INDEBTEDNESS\$2,084PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL6.0%

FAVER SECURITIES, LLC

COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS FOR BROKERS AND DEALERS
PURSUANT TO RULE 15C3-3 UNDER THE SECURITIES EXCHANGE ACT OF 1934

AS OF DECEMBER 31, 2007

The Company is exempt from the provisions of Rule 15c3-3 under the Securities Exchange Act of 1934, in that the Company's activities are limited to those set forth in the conditions for exemption appearing in paragraph (k)(2)(ii) of the Rule.

LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

To the Member of
Faver Securities, LLC

In planning and performing our audit of the financial statements and supplemental schedules of Faver Securities, LLC for the year ended December 31, 2007, (on which we issued our report thereon dated February 21, 2008), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)11 and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2007 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, FINRA and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Louis Sternbach & Company, LLP

Certified Public Accountants

February 21, 2008
New York, New York

8-007661

FINRA

DEC

FAVER SECURITIES LLC

Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending December 31, 2008 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- ☐ (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*
- ☒ (ii) its business as a broker-dealer is expected to consist exclusively of:
- ☒ (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- ☒ (II) the sale of variable annuities;
- ☒ (III) the business of insurance;
- ☐ (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- ☐ (iii) it effects transactions in security futures products only;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

Forwarding and Address Correction Requested

2007

SIPC-3

8-007661

NASD

DEC

FAVER SECURITIES LLC
1333 A NORTH AVE #710
NEW ROCHELLE, NY 10804

Check appropriate boxes.

☒ (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*

(ii) its business as a broker-dealer is expected to consist exclusively of:

☒ (I) the distribution of shares of registered open end investment companies or unit investment trusts;

☒ (II) the sale of variable annuities;

☒ (III) the business of insurance;

☐ (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

☐ (iii) it effects transactions in security futures products only;

Pursuant to the terms of this form (detailed below).

X DEAN FAVER PROPRIETOR 1/26/07
Authorized Signature/Title Date

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

⑈000000003⑈ ⑈000007661⑈ 0000 2007⑈

Form SIPC-3

FY 2007

8-007661

NASD

DEC

FAVER SECURITIES LLC

Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending December 31, 2007 its business as a broker-dealer is expected to consist exclusively of one or more of the following (check appropriate boxes):

- ☐ (i) its principal business, in the determination of SIPC, taking into account business of affiliated entities, is conducted outside the United States and its territories and possessions;*
- ☒ (ii) its business as a broker-dealer is expected to consist exclusively of:
- ☒ (I) the distribution of shares of registered open end investment companies or unit investment trusts;
- ☒ (II) the sale of variable annuities;
- ☒ (III) the business of insurance;
- ☐ (IV) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;
- ☐ (iii) it effects transactions in security futures products only;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

*If you have any questions concerning the foreign exclusion provision please contact SIPC via telephone at 202-371-8300 or e-mail at asksipc@sipc.org to request a foreign exclusion questionnaire.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments.

... If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

Forwarding and Address Correction Requested

~~XXXXXXXXXXXXXXXXXXXX~~

8-007661 NASD DEC

BERNARD FAVER
82 WALL ST STE 310
NEW YORK, NY 10005

Form SIPC-3

FY 2006

Check appropriate boxes.

- ☒ (i) the distribution of shares of registered open end investment companies or unit investment trusts.
☒ (ii) the sale of variable annuities.
☒ (iii) the business of insurance.
☐ (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts.

Pursuant to the terms of this form (detailed below).

X Am. Gen. SOL. BR. PR. CORP. 1/4/06
Authorized Signature/Title Date

Securities Investor Protection Corporation
805 15th Street NW, Suite 800
Washington, DC 20005-2215

⑈000000003⑈ ⑆0000007661⑆ 0000 2006⑈

Form SIPC-3

FY 2006

8-007661 NASD DEC

BERNARD FAVER
82 WALL ST STE 310
NEW YORK, NY 10005

Check appropriate boxes.

- ☒ (i) the distribution of shares of registered open end investment companies or unit investment trusts.
☒ (ii) the sale of variable annuities.
☒ (iii) the business of insurance.
☐ (iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts.

Certification of Exclusion From Membership.

TO BE FILED BY A BROKER-DEALER WHO CLAIMS EXCLUSION FROM MEMBERSHIP IN THE SECURITIES INVESTOR PROTECTION CORPORATION ("SIPC") UNDER SECTION 78ccc(a)(2)(A)(ii) OF THE SECURITIES INVESTOR PROTECTION ACT OF 1970 ("SIPA").

The above broker-dealer certifies that during the year ending December 31, 2006 its business as a broker-dealer is expected to consist exclusively of one or more of the following:

- (i) the distribution of shares of registered open end investment companies or unit investment trusts;
(ii) the sale of variable annuities;
(iii) the business of insurance;
(iv) the business of rendering investment advisory services to one or more registered investment companies or insurance company separate accounts;

and that, therefore, under section 78ccc(a)(2)(A)(ii) of the SIPA it is excluded from membership in SIPC.

The following bylaw was adopted by the Board of Directors:

Interest on Assessments. If all or any part of an assessment payable under Section 4 of the Act has not been received by the collection agent within 15 days after the due date thereof, the member shall pay, in addition to the amount of the assessment, interest at the rate of 20% per annum of the unpaid portion of the assessment for each day it has been overdue. If any broker or dealer has incorrectly filed a claim for exclusion from membership in the Corporation, such broker or dealer shall pay, in addition to all assessments due, interest at the rate of 20% per annum of the unpaid assessment for each day it has not been paid since the date on which it should have been paid.

In the event of any subsequent change in the business of the undersigned broker-dealer that would terminate such broker-dealer's exclusion from membership in SIPC pursuant to section 78ccc(a)(2)(A)(ii) of the SIPA, the undersigned broker-dealer will immediately give SIPC written notice thereof and make payment of all assessments thereafter required under Section 78ddd(c) of the SIPA.

Sign, date and return the top portion of this form no later than 30 days after the beginning of the year, using the enclosed return envelope.

Retain the bottom portion of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

END